



The Daily

Statistics Canada

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MAJOR RELEASES

- **Industrial capacity utilization rates, third quarter 2001** 3
Industries cut their use of production capacity for the fifth consecutive quarter to 79.4% in the third quarter. Capacity use fell 2.5 percentage points from a revised 81.9% in the second quarter, the largest single-quarter decline on record.

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Canadian social trends Winter 2001

Each quarter, *Canadian social trends* integrates data from many sources to examine emerging social trends and issues. The Winter 2001 issue contains five articles, three of which present results from the 2000 General Social Survey on Access to and Use of Information Communication Technology.

"Wired young Canadians" examines how Canadians aged 15 to 24 use the Internet and discovers a generation gap between teens and young adults; "Older surfers" asks how extensively Canadians aged 60 and over use the Internet and what they are looking for; "Connected to the Internet, still connected to life?" examines the effect that Internet use has on people's other day-to-day activities; "Volunteering and giving: a regional perspective" addresses the issue of varying rates of volunteerism in the different regions of the country; and "The time of our lives..." asks whether patterns of time use at the various stages of the life cycle have shifted over the last decade.

The Winter 2001 issue of *Canadian social trends* also features the latest social indicators, a cumulative index of articles published in the last five years and information about Statistics Canada's products and services.

The Winter 2001 issue of *Canadian social trends* (11-008-XIE, \$8/\$27; 11-008-XPE, \$11/\$36) is now available. See *How to order products*. For more information, contact Susan Crompton (613-951-2556; cstsc@statcan.ca), Housing, Family and Social Statistics Division.

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MAJOR RELEASES

Industrial capacity utilization rates

Third quarter 2001

Industries cut their use of production capacity for the fifth consecutive quarter to 79.4% in the third quarter.

Capacity use fell 2.5 percentage points from a revised 81.9% in the second quarter, the largest single-quarter decline in record. The largest previous decline occurred in the fourth quarter of 1990, when the capacity utilization rate fell 2.3 percentage points.

The third quarter rate was well short of the most recent high of 86.6% posted in the second quarter of 2000.

The rate fell because of slumping demand in the high tech sector and, to a lesser extent, lower demand for automotive products.

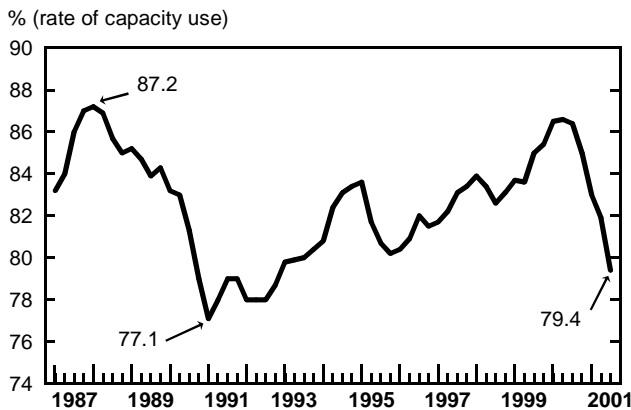
Rates of capacity use dropped in all the groups making up the industrial aggregate: forestry and logging; mining and oil and gas extraction; electric power generation, transmission and distribution; construction; and most of the industry groups in the manufacturing sector.

Note to readers

This release of the rates of capacity use is the first using the 1997 North American Industrial Classification System (NAICS), which has replaced the 1980 Standard Industrial Classification. In addition, the measures of capital stock and gross domestic product (GDP) used in the calculation of the rates have both been rebased from 1992 to 1997 prices, and the GDP is now valued at basic prices rather than at factor cost. Current data limitations under NAICS only permit the calculation of the rates back to 1987; the series will be extended when more historical data become available. The rate for the industrial aggregate no longer includes a measure for the gas distribution industry, as data are not available to calculate rates for this industry prior to 1997 under NAICS.

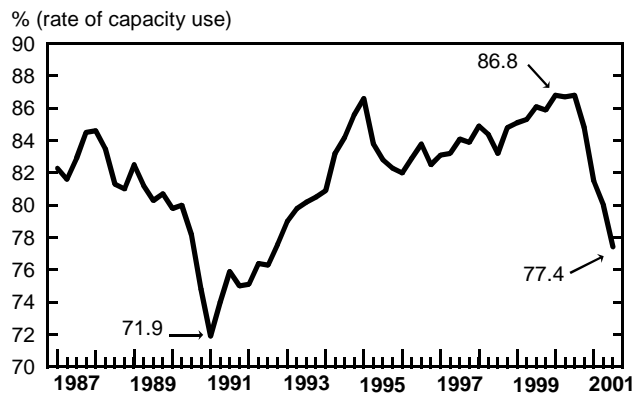
An industry's **capacity use** is the ratio of its actual output to its estimated potential output. Statistics Canada derives estimates of an industry's potential output from measures of its capital stock. In addition, Statistics Canada surveys companies for their estimates of annual capacity use, in order to produce survey-based industry measures. A company's measure of its level of operation, as a percentage of potential, takes into account changes in the obsolescence of facilities, capital-to-labour ratios and other characteristics of production techniques. The surveyed rates anchor the calculated quarterly series, and ensure they reflect such changes.

Record drop in capacity use



fall to 60.1% in the third quarter. This was a drop of 9.3 percentage points from the second quarter and 39.4 percentage points from the peak of 99.5% in the third quarter of 2000. Slumping domestic and foreign demand has continued to affect this industry—production was down 37.6% from the third quarter of 2000.

Sharp drop in high tech drags down manufacturing



Steep decline in manufacturing sector

Manufacturers operated at 77.4% of their capacity in the third quarter, down 2.6 percentage points from the second. Of the 21 major groups in the manufacturing sector, 16 had lower rates. The drop in manufacturing was largely driven by declines in computer and electronic products, automotive products, chemicals, wood products, and paper products.

The computer and electronic products manufacturing industry saw its rate of capacity use

Transportation equipment manufacturing posted a rate of 85.3% in the third quarter, down 1.6 percentage

points from the second. This decline was due to lower production of motor vehicles and parts. These industries saw lower demand in both Canada and the United States, and were hurt by delays in the flow of trade at the Canada–U.S. border following September 11.

The chemical manufacturing industry saw its rate decline 3.8 percentage points to 77.4%. This industry was affected in part by weakness in the agricultural sector—the summer drought reduced harvests and lowered agricultural demand for pesticides and fertilizers. Maintenance shutdowns at several petrochemical plants also hampered production and reduced capacity use in the chemical industry.

In the wood products manufacturing group, capacity utilization was 73.5% in the third quarter, down 2.2 percentage points. In part this drop was the result of the uncertainty about exports.

Paper manufacturers lowered their capacity use for the fourth consecutive quarter. Their rate was 85.0%, down 9.4 percentage points from the third quarter of 2000. Owing to a weak global market, pulp production has fallen sharply since the third quarter of 2000, causing lengthy plant shutdowns. Paper mills slowed their production to get rid of excess inventory.

However, textile factories increased their rate 1.1 percentage points in the third quarter to 64.0%. They boosted production 2.3% after three consecutive quarterly declines. The petroleum and coal industry also slowed the decline in capacity use in the manufacturing sector by posting a rate of 94.5%, up 1.5 percentage points from the second quarter.

Decline widespread outside of manufacturing

In the forestry and logging industry, the rate fell 5.9 percentage points to 76.6% in the third quarter. This industry continues to suffer the effects of the trade dispute with the United States, which caused production to fall 6.9% in the third quarter.

With a slump in both domestic and U.S. demand, electricity production was down 3.0% in the third quarter from the second. This lowered capacity use in the electric power generation, transmission and distribution group of industries—its rate fell 4.2 percentage points to 83.8%.

In the mining and oil and gas extraction industries, the rate of capacity use declined 2.9 percentage points to 76.4%. This drop was due to a decline in mining output, as lower prices for oil and gas cut into demand for exploration.

The rate of capacity use in the construction industry edged down 0.9% to 87.4% in the third quarter.

Available on CANSIM: table 280002.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Mychèle Gagnon (613-951-0994) or Richard Landry (613-951-2579), Investment and Capital Stock Division. □

Industrial capacity utilization rates

	Third quarter 2000 ^r	Second quarter 2001 ^r	Third quarter 2001	Third quarter 2000 to third quarter 2001	Second to third quarter 2001
	Percentage point change				
Total Industrial	86.4	81.9	79.4	-7.0	-2.5
Forestry and logging	90.1	82.5	76.6	-13.5	-5.9
Mining and oil and gas extraction	78.4	79.3	76.4	-2.0	-2.9
Oil and gas extraction	73.4	70.7	69.4	-4.0	-1.3
Mining	88.5	97.1	91.2	2.7	-5.9
Electric power generation, transmission and distribution	88.7	88.0	83.8	-4.9	-4.2
Construction	89.9	88.3	87.4	-2.5	-0.9
Manufacturing	86.8	80.0	77.4	-9.4	-2.6
Food	81.1	83.0	82.9	1.8	-0.1
Beverage and tobacco products	83.5	81.4	81.6	-1.9	0.2
Beverage	83.8	83.4	83.9	0.1	0.5
Tobacco	82.9	76.9	76.4	-6.5	-0.5
Textile mills	85.3	76.2	73.2	-12.1	-3.0
Textile product mills	77.8	62.9	64.0	-13.8	1.1
Clothing	86.9	85.1	80.5	-6.4	-4.6
Leather and allied products	74.9	75.1	83.8	8.9	8.7
Wood products	83.8	75.7	73.5	-10.3	-2.2
Paper	94.4	87.1	85.0	-9.4	-2.1
Printing and related support activities	81.9	73.8	72.4	-9.5	-1.4
Petroleum and coal products	94.1	93.0	94.5	0.4	1.5
Chemical	81.6	81.2	77.4	-4.2	-3.8
Plastics and rubber products	86.5	82.8	81.4	-5.1	-1.4
Plastic products	84.5	82.7	80.6	-3.9	-2.1
Rubber products	90.9	83.1	83.3	-7.6	0.2
Non-metallic mineral products	82.9	75.3	71.5	-11.4	-3.8
Primary metal	90.3	86.7	84.9	-5.4	-1.8
Fabricated metal products	83.3	75.8	74.1	-9.2	-1.7
Machinery	81.2	77.2	75.5	-5.7	-1.7
Computer and electronic products	99.5	69.4	60.1	-39.4	-9.3
Electrical equipment, appliances and components	92.0	72.2	65.6	-26.4	-6.6
Transportation equipment	90.2	86.9	85.3	-4.9	-1.6
Furniture and related products	87.2	74.9	70.3	-16.9	-4.6
Miscellaneous manufacturing	73.5	70.0	70.0	-3.5	0.0

^r Revised figures.

OTHER RELEASES

New Housing Price Index

October 2001

The New Housing Price Index rose 0.1% in October from September. Compared with October 2000, this index of contractors' selling prices increased 2.8%.

The largest monthly advance was in the Ottawa–Hull census metropolitan area (+0.7%) due mostly to increased rates for construction trades. Higher prices for building materials and labour pushed up the indexes in Halifax (+0.5%), Hamilton (+0.5%) and Kitchener–Waterloo (+0.4%). In Vancouver, where builders noted an increase in demand, the index rose 0.4% from September.

New housing price indexes

(1992=100)

	October 2001	October 2000 to October 2001	September to October 2001
	% change		
Canada total	106.8	2.8	0.1
House only	109.8	3.7	0.1
Land only	103.9	0.8	0.1
St. John's	101.7	2.2	-
Halifax	119.3	3.3	0.5
Charlottetown	107.1	0.1	-
Saint John–Moncton– Fredericton	94.4	1.0	0.2
Québec	105.4	2.6	-0.6
Montréal	115.2	4.5	0.3
Ottawa–Hull	121.5	8.2	0.7
Toronto	109.7	2.5	-
Hamilton	109.4	3.1	0.5
St. Catharines–Niagara	109.8	2.7	-0.3
Kitchener–Waterloo	110.7	3.3	0.4
London	104.6	2.1	0.1
Windsor	106.4	-0.1	-
Sudbury–Thunder Bay	97.5	-0.3	-0.1
Winnipeg	119.5	1.4	-
Regina	135.8	2.5	-
Saskatoon	120.0	2.2	-
Calgary	136.7	2.8	0.1
Edmonton	114.7	2.1	0.1
Vancouver	84.8	1.9	0.4
Victoria	72.6	1.3	0.1

* Nil or zero.

Québec, St. Catharines–Niagara and Sudbury–Thunder Bay posted decreases on a monthly basis, and seven urban centres registered no change.

On a year-over-year basis, the largest rise was in Ottawa–Hull (+8.2%) followed by Montréal, Halifax and Kitchener–Waterloo. Sudbury–Thunder Bay and Windsor were the only two urban centres that registered annual declines.

Available on CANSIM: table 3270005.

The fourth quarter 2001 issue of *Construction price statistics* (62-007-XPB, \$24/\$79) will be available in March 2002. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Suzie Boyd (613-951-9606; fax: 613-951-1539; infounit@statcan.ca), Client Services Unit, or Susan Morris (613-951-2035; morrus@statcan.ca), Prices Division. ■

Aircraft movement statistics

October 2001 (preliminary)

The number of take-offs and landings recorded in October at the 43 Canadian airports with Nav Canada air traffic control towers totalled 422,825, down 7.0% October 2000.

The October 2001 preliminary monthly report is available on Transport Canada's Web site at this URL: <http://www.tc.gc.ca/pol/en/report/TP1496/tp1496.htm>.

For more information concerning this Web site, contact Michel Villeneuve (613-990-3825; villenm@tc.gc.ca) or Sheila Rajani (613-993-9822; rajanis@tc.gc.ca).

October statistics for the 55 Canadian airports with Nav Canada flight service stations are also available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Kathie Davidson (613-951-0141; fax: 613-951-0010; aviationstatistics@statcan.ca), Transportation Division. ■

NEW PRODUCTS

Canadian social trends, Winter 2001
Catalogue number 11-008-XIE (\$8/\$27).

Canadian social trends, Winter 2001
Catalogue number 11-008-XPE (\$11/\$36).

Gross domestic product by industry,
September 2001
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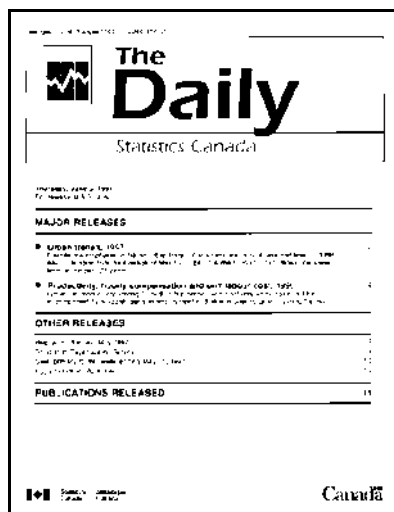
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